

Finance and Administration Cabinet STANDARD PROCEDURE		ISSUED BY: COT; Office of Enterprise Policy & Project Management (OEPPM)
PROCEDURE # 5.2.1	SUBJECT: IT Procurement Management Procedure	
EFFECTIVE DATE: 9/21/07		
CONTACT: Executive Director, Office of Enterprise Policy & Project Mgmt		LOCATION: 101 Cold Harbor Drive PHONE: (502) 564-0422

STATEMENT OF AUTHORITY

1. The Finance and Administration Cabinet's Standard Procedures Manual establishes standard mandatory internal procedures cabinet-wide. These procedures are established in accordance with the Secretary's statutory authority under KRS 42.014 and KRS 12.270 to establish the internal organization and functions of the Cabinet as necessary to perform the duties effectively.
2. The Standard Procedures Manual may only be revised in accordance with the process outlined in Standard Procedure #1.1 entitled: "Finance Standard Procedures and Manual".

I. PURPOSE AND SCOPE

- A. The purpose of this standard procedure is to formalize the extent of the Finance Cabinet's oversight and responsibilities for the IT procurement process and the Enterprise IT Sourcing Strategy of the Executive Branch of government. Specific objectives include the documentation of:
 1. The extent of the Finance Cabinet's oversight responsibilities for agency IT procurements
 2. The Finance Cabinet's management responsibilities to identify emerging technologies or IT service needs within the Commonwealth and to proactively establish contracts to reduce duplication of effort and to enhance IT Governance through a strategic sourcing model/direction
 3. The roles and responsibilities and customer support responsibilities of each Finance Cabinet organization and workgroup with regard to IT procurements, including those resulting from the IT Consolidation Project
 4. The protocol, workflow and collaboration requirements among Finance Cabinet organizations and workgroups, and customer agencies
- B. The scope of this standard procedure covers the following Finance Cabinet organizations and workgroups:
 1. Office of Procurement Services (OPS)
 2. Commonwealth Office of Technology (COT) Office of Enterprise Policy and Project

Finance and Administration Cabinet STANDARD PROCEDURE		ISSUED BY: COT; Office of Enterprise Policy & Project Management (OEPPM)
PROCEDURE # 5.2.1	SUBJECT: IT Procurement Management Procedure	
EFFECTIVE DATE: 9/21/07		
CONTACT: Executive Director, Office of Enterprise Policy & Project Mgmt		LOCATION: 101 Cold Harbor Drive PHONE: (502) 564-0422

Management (OEPPM)

3. COT Office of Application Development (OAD)
4. COT Office of Infrastructure Services (OIS)
5. Division of Administrative Support (DAS)
6. Procurement Exceptions Committee

II. POSITION STATEMENT

The Finance Cabinet is responsible for the procurement of all Information Technology (IT) hardware, software and services for the Executive Branch of government unless a Cabinet/organization is granted an exception by the Secretary of the Finance Cabinet.

Major over-arching responsibilities with regard to IT procurements include:

- A. Establishment of standards that govern IT procurements
- B. Management of the IT procurement process — solicitation development through contract award
- C. Coordination of IT vendor interactions with the Commonwealth
- D. IT contracts management
- E. IT contracts compliance monitoring and corrective actions based on agency feedback
- F. Mediation of IT award/contract disputes
- G. Publication of contracts information to assist and expedite agency access to IT sourcing information and resources.

Finance and Administration Cabinet STANDARD PROCEDURE		ISSUED BY: COT; Office of Enterprise Policy & Project Management (OEPPM)
PROCEDURE # 5.2.1	SUBJECT: IT Procurement Management Procedure	
EFFECTIVE DATE: 9/21/07		
CONTACT: Executive Director, Office of Enterprise Policy & Project Mgmt		LOCATION: 101 Cold Harbor Drive PHONE: (502) 564-0422

III. ROLES AND RESPONSIBILITIES

Responsibilities of the respective Finance Cabinet organizations and workgroups for the IT procurement process follow:

A. Office of Procurement Services

1. Maintain and enforce Commonwealth IT procurement laws, policies, procedures and practices
2. Establish IT purchasing authority limits for each Cabinet/Agency
3. Guide and manage the development and execution of IT-related solicitations (SAS Requests, RFP's, etc.)
4. Manage the following major IT procurement practices and processes:
 - a. Develop, maintain and publish standard legal sections/clauses that reflect Commonwealth and industry-standard IT purchasing laws and regulations
 - b. Develop, maintain and publish standard IT solicitation templates (RFP, Bid, etc.) and tools for use by customer agencies in developing draft documents for issuance by OPS.
 - c. Through eMARS, enter parameters for all IT contracts to trigger at least annual agency feedback on vendor performance
 - d. Develop vendor performance reports from eMARS, analyze results and respond to agency vendor complaints to correct problems within the Commonwealth's IT vendor community —OPS and COT
 - e. IT solicitation release/publishing — E-Procurement Site
 - f. IT vendor questions and answers and solicitation modifications as necessary posted to the E-Procurement site
 - g. Scoring and IT vendor selection
 - h. IT vendor orals

Finance and Administration Cabinet STANDARD PROCEDURE		ISSUED BY: COT; Office of Enterprise Policy & Project Management (OEPPM)
PROCEDURE # 5.2.1	SUBJECT: IT Procurement Management Procedure	
EFFECTIVE DATE: 9/21/07		
CONTACT: Executive Director, Office of Enterprise Policy & Project Mgmt		LOCATION: 101 Cold Harbor Drive PHONE: (502) 564-0422

- i. IT contract negotiations
- j. IT contract establishment
- k. IT contracts life-cycle management
- l. Maintenance of IT bidder lists - eMARS

B. COT - Office of Enterprise Policy and Project Management

1. Develop and maintain an Enterprise IT Sourcing Strategy that mirrors/complements the Commonwealth's IT Architecture and Standards
2. Maintain an IT governance structure/process and promote Cabinet leadership alignment for an enterprise-wide IT sourcing approach and strategy
3. Identify emerging technologies and initiate/establish proactive contracts that minimize duplicate procurement initiatives by customer agencies
4. Review and approve for release agency IT solicitations that are enterprise in scope and complexity or that will result in an initial expenditure of over \$100,000
5. Institute an ongoing review of IT contract utilization/expenditures by Executive Branch agencies through standard output reports from eMARS. Use this management information to monitor and improve the Commonwealth's IT Sourcing Plan/Strategy.
6. Work with OPS and DAS to continually improve and simplify the RFP and SASR process through more complete IT templates, a documented IT procurement methodology and ongoing customer communication (Website, Techlines & Agency Contact Memos) about the IT procurement process
7. Organize and publicize IT contracts/vendor information on an ongoing basis to minimize the purchase of non-standard technologies/services, reduce duplicate procurement activities and provide access to contract/vendor information that will assist agencies in acquiring goods/services to meet their business needs in a timely manner
8. Track and report the need to renew or re-bid ongoing IT contracts
9. For consolidated agencies, provide project management services to transition

Finance and Administration Cabinet STANDARD PROCEDURE		ISSUED BY: COT; Office of Enterprise Policy & Project Management (OEPPM)
PROCEDURE # 5.2.1	SUBJECT: IT Procurement Management Procedure	
EFFECTIVE DATE: 9/21/07		
CONTACT: Executive Director, Office of Enterprise Policy & Project Mgmt		LOCATION: 101 Cold Harbor Drive PHONE: (502) 564-0422

selected IT contracts and agreements from agency management to centralized management by COT. Major responsibilities include:

- a. Develop a complete inventory of LAN, Desktop and Input/output related hardware, software and services contracts and agreements for all statewide consolidated agency locations
- b. Upon completion of each consolidated agency inventory, transition the contracts-related information for ongoing support by the following organizations:
 - i. **OPS** for information and consolidation with or under other contracts over time
 - ii. **Division of Administrative Support (DAS)** for accounting purposes and the payment of bills resulting from consolidated agency contracts/agreements
 - iii. **Division of Client Services (DCS)** for day-to-day sourcing management activities including contracts consolidation, provisioning/de-provisioning, break/fix dispatching, oversight of vendor performance and payment authorizations

C. Office of Application Development

1. On a billable basis, provide project management, analyst services, and technical resources to assist in requirements analysis, documentation and the development of solicitations for the procurement phase of major IT projects
2. On a billable basis, provide resources to serve as evaluators/technical advisors during the evaluation of vendor responses and contract negotiations for major IT projects

D. Office of Infrastructure Services

1. On a billable basis, provide consulting services regarding connectivity issues, hosting alternatives, hardware platforms, operating environments, database facilities and other infrastructure related issues to ensure the proper sizing, performance and operations support capabilities of IT systems/services under consideration for procurement

Finance and Administration Cabinet STANDARD PROCEDURE		ISSUED BY: COT; Office of Enterprise Policy & Project Management (OEPPM)
PROCEDURE # 5.2.1	SUBJECT: IT Procurement Management Procedure	
EFFECTIVE DATE: 9/21/07		
CONTACT: Executive Director, Office of Enterprise Policy & Project Mgmt		LOCATION: 101 Cold Harbor Drive PHONE: (502) 564-0422

2. On a billable basis, provide representatives to serve as evaluators and/or technical advisors during the IT procurement process and contract negotiations

E. Division of Administrative Support

1. In collaboration with COT, track and report the need to renew or re-bid ongoing IT contracts
2. Initiate requisitions in eMARS for new Finance Cabinet IT solicitations

F. Procurement Exceptions Committee

Committee representatives from OPS, COT/01S, Department of Facilities Management and the Office of the Secretary meet on a weekly basis to review all procurements (including IT). IT procurements are reviewed to ensure procurement authorization, establish priorities, enforce standards compliance, assess/control budget considerations and reduce duplication of effort

IV. PROCEDURE

[Procurement Phase — IT Projects Phase, Task & Ownership Outline \(Form SP7.502011\)](#) provides an outline of the eleven (11) phases of the IT Procurement Process. The outline also identifies the primary owner(s) of each respective phase. Key leadership roles include the Customer Agency sponsor, COT/Agency project manager and the OPS Buyer. Other organizational roles are performed in a team setting as the procurement process is executed and may vary from project to project. Likewise, the execution of each task may vary depending on the nature, size and complexity of the IT system/services being procured.

V. REFERENCES

Commonwealth Procurement Laws and Regulations: <http://eprocurement.ky.gov/>

Architecture and Standards Link: <http://technology.ky.gov/governance/Pages/architecture.aspx>

IT Contracts Summary Link <http://technology.ky.gov/oet/Pages/ITProcurement.aspx>

SAS Request (SASR) Procedures (Link no longer utilized in procedure)

Finance and Administration Cabinet STANDARD PROCEDURE		ISSUED BY: COT; Office of Enterprise Policy & Project Management (OEPPM)
PROCEDURE # 5.2.1	SUBJECT: IT Procurement Management Procedure	
EFFECTIVE DATE: 9/21/07		
CONTACT: Executive Director, Office of Enterprise Policy & Project Mgmt		LOCATION: 101 Cold Harbor Drive PHONE: (502) 564-0422

Finance Policies and Procedures <http://finance.ky.gov/ourcabinet/caboff/ooc/policies.htm>

Executive Order for IT Consolidation:
<https://gotsource.ky.gov/docushare/dsweb/Get/Document-365210/>

VI. FORMS

[Form SP7.502011](#): Procurement Phase — IT Projects Phase, Task & Ownership Outline